

AMENDED IN SENATE APRIL 29, 2013

AMENDED IN SENATE APRIL 2, 2013

SENATE BILL

No. 661

Introduced by Senator Hill

February 22, 2013

An act to amend Section 17533.7 of the Business and Professions Code, relating to advertising.

LEGISLATIVE COUNSEL'S DIGEST

SB 661, as amended, Hill. False advertising.

Existing law makes it unlawful for any person, firm, corporation, or association to sell, or offer for sale, merchandise that advertises itself as being made or manufactured in the United States when any article, unit, or part of the merchandise has been entirely or substantially made, manufactured, or produced outside of the United States.

This bill would eliminate the requirement that any article, unit, or part of the merchandise also be substantially manufactured in the United States in order for the merchandise to advertise that it is made in the United States. The bill would further provide that any merchandise has been substantially made, manufactured, or produced within the United States if specified requirements are met, including that United States manufacturing costs constitute ~~75%~~ 90% of the total manufacturing costs for the merchandise and the merchandise was last substantially transformed in the United States. *The bill would also create a rebuttable presumption that the merchandise has been substantially made, manufactured, or produced within the United States if an independent 3rd-party verification organization certifies that the merchandise meets all of these requirements.*

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 17533.7 of the Business and Professions
2 Code is amended to read:
3 17533.7. (a) It is unlawful for any person, firm, ~~corporation~~
4 *corporation*, or association to sell or offer for sale in this state any
5 merchandise on which merchandise or on its container there
6 appears the words “Made in U.S.A.,” “Made in America,”
7 “U.S.A.,” or similar words when the merchandise has been entirely
8 or substantially made, manufactured, or produced outside of the
9 United States.
10 (b) For purposes of this section, any merchandise has been
11 substantially made, manufactured, or produced within the United
12 States if it meets all of the following requirements:
13 (1) United States manufacturing costs constitute ~~75~~ 90 percent
14 of the total manufacturing costs for the merchandise.
15 (2) No more than ~~25~~ 10 percent of the total manufacturing costs
16 for the merchandise were either incurred outside of the United
17 States as a result of the unavailability of raw materials in the United
18 States, or incurred as the costs of a component, part, article, or unit
19 of the merchandise imported into the United States as a result of
20 the unavailability of the same component, part, article, or unit of
21 the merchandise from a domestic manufacturer.
22 (3) The merchandise was last substantially transformed in the
23 United States.
24 (c) *Certification by an independent third-party verification*
25 *organization that the merchandise meets all of the requirements*
26 *of subdivision (b) shall create a rebuttable presumption, affecting*
27 *the burden of producing evidence, that the merchandise has been*
28 *substantially made, manufactured, or produced within the United*
29 *States.*

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